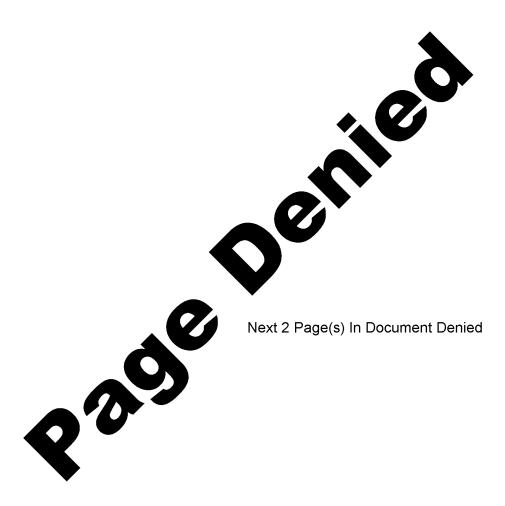
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		19 June 1959	
		NOT RELEASABLE TO FOREIGN NATIONALS	
		In reply refer to:	
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$\Box$	Attention:		
<u> </u>	Subject: Contrac		
!		on Task Orders 7 and 8 (Uncl.)	
	Gentlemen:		
	Gentremen		
	to be performed und additional funds, a	has reviewed the remaining work ler the subject Task Orders; it is anticipated that as set forth in Exhibit "A" attached hereto, are rethese Tasks. Factors contributing to this every	
	to be performed und additional funds, a quired to complete condition are conta	der the subject Task Orders; it is anticipated that as set forth in Exhibit "A" attached hereto, are rethese Tasks. Factors contributing to this overrundered in Exhibits "B" and "C".	
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		EXHIBIT "A"	
		Page I of 4	
ADDITIONAL	FUNDS REQUIRED TO COMPLETE	TASK NO. 7	25X1
Manual Property and Property an			
•	ESTIMATED COST SUMMARY		
·			
Actual Cost As of March 15,	1959		
 Estimated Cost to Complete			,
Total Estimated Cost	•		
 Cost on Contract			
Total Estimated Overrun	L		
		. L	_

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EXHIBIT	"B"
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Page 1 of 1

## TASK 7 OVERRUN

At the time Contractor submitted his proposal for supplemental work under Task Order No. 7, agreement had been reached between representatives of the Government and of an extremely urgent nature. Included in the proposed work was re-work of six refurbishing of the base station and certain other work such as travel and training.

25X1

The first two were to be delivered by 25 December and the four other units at a rate of one every two weeks. The schedule and estimated costs proved to be incompatible. In order to meet the recognized urgent schedule it was necessary to use overtime hours and second shift labor in unanticipated amounts.

25X1

In addition, vendor furnished items were purchased with rapid delivery as a first consideration and cost only secondary. Thus, in many cases, items were procured at premium rates.

Although the estimated costs were considerably exceeded, the Contractor met the required delivery dates in a fully satisfactory manner at the risk of overrun which appears completely justifiable in view of the Government operational requirements.

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	EXHIBITO "C" '
	Page 1 of 1
	TASK 8 OVERRUN
	Task Order No. 8 of Contract No. required the design
	and construction of Base Station equipment consisting of Interrogate and Receive Terminals, in addition to two Field Units. During the course of this development, the expenditure on material and subcontracting exceeded that originally planned, whereas expenditures on labor have been approximately as estimated.
	The accumulated overruns by two subcontractors, alone account for approximately
	Princh hormone one other will be the state of the state o
	furthermore, one other subcontractor failed to delivery components whose quality was up to operational standards, thereby necessitating additional unplanned development work.
	ponents whose quality was up to operational standards, thereby necessitating
	ponents whose quality was up to operational standards, thereby necessitating additional unplanned development work.  Labor and material necessary for setting up two complete and different sets of operating frequencies was also unscheduled at the out-
	ponents whose quality was up to operational standards, thereby necessitating additional unplanned development work.  Labor and material necessary for setting up two complete and different sets of operating frequencies was also unscheduled at the outset of the contract.  Certain high quality non-standard sub-miniature components were procured, using multiple sources, and were type tested for the best available quality. This tecnique was found to be necessary as an expedient for obtaining the required high quality in the short development

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				103 TO 8	20112
		INTERDEPARTMENTAL CORRESPOND	NDENCE		
	то:	cc:	DATE:	17 June 1959	
	SUBJECT:	Special Power Supply	FROM:		25X1
			BLDG. EXT.	116 MAIL STA. 3370	
	Eof:	Notes on Conference, dtd 6-17-59, with		representative	25X1
		to supply:			25X1
		1. Two (2) complete converter boxes - d dtd 6-9-59, except depth inside dime instead of 3.00 chown.			
		2. Can be supplied with outside and pla	te complete	ly welded.	
		3. Connector seal housing will be compl tacked and the housing welder to case		aders at-	
25 <b>X</b> 1		h. Inner housing plate drilled and with per sketch furnished by 9-17-5	•	estalled,	
		5. Following headers detailed on above tuted, providing came voltage and cu maintained - A, B, C, B B.	•		
		to supply three-feet (on cent similar to that previously supplied. end to be identical to that previous power supply end changed from "3" to	The utili	sati on	25X1
		7. Unit be returned to scaled a for external finish.	nd tested,	cxcept	25X1
		8. Eattery Voltage taps to be as follow to GNB center taps.	s, vith ref	creace	,
		<ul> <li>a. one (1) top 5 cells positive (less than 1 amp) called *6*/</li> <li>b. one (1) tap 7 cells positive</li> <li>c. one (1) tap 13 cells positive th amps.</li> </ul>	colled *7	for 6 cop.	
		d. one (1) tap 7 cells negative e. one (1) tap 13 cells negative bli amps.			
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